

Sec. 54. IOWA DEPARTMENT OF VETERANS AFFAIRS. Federal grants, receipts, and funds and other nonstate grants, receipts, and funds, available in whole or in part for the fiscal year beginning July 1, 2006, and ending June 30, 2007, are appropriated to the Iowa department of veterans affairs for the purposes set forth in the grants, receipts, or conditions accompanying the receipt of the funds, unless otherwise provided by law.

Sec. 55. DEPARTMENT OF WORKFORCE DEVELOPMENT. Federal grants, receipts, and funds and other nonstate grants, receipts, and funds, available in whole or in part for the fiscal year beginning July 1, 2006, and ending June 30, 2007, are appropriated to the department of workforce development for the purposes set forth in the grants, receipts, or conditions accompanying the receipt of the funds, unless otherwise provided by law.

Approved March 9, 2006

CHAPTER 1169

MEDICAL ASSISTANCE — PROVIDER PAYMENT ADJUSTMENTS AND FUNDING *H.F. 2347*

AN ACT relating to the medical assistance provider payment adjustments, providing for transfer, appropriation, and deposit of funds, providing an effective date, and providing for retroactive applicability.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 249J.23, subsection 1, Code Supplement 2005, is amended to read as follows:

1. An account for health care transformation is created in the state treasury under the authority of the department. Moneys received ~~through the physician payment adjustment as described in 2003 Iowa Acts, chapter 112, section 11, subsection 1, and through the adjustment to hospital payments to provide an increased base rate to offset the high costs incurred for providing services to medical assistance patients as described in 2004 Iowa Acts, chapter 1175, section 86, subsection 2, paragraph "b", from sources including but not limited to appropriations from the general fund of the state, grants, and contributions~~ shall be deposited in the account. The account shall include a separate premiums subaccount. Revenue generated through payment of premiums by expansion population members as required pursuant to section 249J.8 shall be deposited in the separate premiums subaccount within the account.

Sec. 2. 2004 Iowa Acts, chapter 1175, section 86, subsection 2, paragraph b, unnumbered paragraph 2, and subparagraphs (1), (2), and (3), as amended by 2005 Iowa Acts, chapter 167, section 35, are amended to read as follows:

(1) ~~If the~~ The department of human services ~~adjusts~~ shall adjust hospital payments to provide an increased base rate to offset the high cost incurred for providing services to medical assistance patients ~~on or prior to July 1 during the fiscal year ending June 30, 2005, a portion of the amount specified in this unnumbered paragraph equal to the increased Medicaid payment shall be transferred by the university of Iowa hospitals and clinics to the medical assistance fund of the department of human services. Of the amount transferred, an amount equal~~

to the federal share of the payments shall be transferred to the account for health care transformation created in section 249J.22. The amount of the payment adjustment made pursuant to this subparagraph (1) shall be \$20,216,039.

(2) Any incremental increase in the base rate made pursuant to subparagraph (1) shall not be used in determining the university of Iowa hospital hospitals and clinics disproportionate share rate or when determining the statewide average base rate for purposes of calculating indirect medical education rates.

Sec. 3. 2003 Iowa Acts, chapter 112, section 11, subsection 1, as amended by 2005 Iowa Acts, chapter 167, section 36, is amended to read as follows:

1. For the fiscal years beginning July 1, 2003, and ending June 30, 2004, and beginning July 1, 2004, and ending June 30, 2005, the department of human services shall institute a supplemental payment adjustment applicable to physician services provided to medical assistance recipients at ~~publicly-owned~~ state-owned acute care teaching hospitals. The adjustment shall generate supplemental payments to physicians which are equal to the difference between the physician's ~~charge~~ average reimbursement from nongovernmental payors and the physician's fee schedule under the medical assistance program. ~~To the extent of the supplemental payments, a qualifying hospital shall, after receipt of the payments, transfer to the department of human services an amount equal to the actual supplemental payments that were made in that month. The department of human services shall deposit these payments in the department's medical assistance account. The payment adjustment amount made pursuant to this subsection shall equal \$34,423,090.~~ The department of human services shall amend the medical assistance state plan as necessary to implement this section. The department may adopt emergency rules to implement this section. The department of human services shall amend the medical assistance state plan to eliminate this provision effective June 30, 2005.

Sec. 4. TRANSFER, APPROPRIATION, AND DEPOSIT OF FUNDS. Upon receipt of the supplemental payments described in sections 2 and 3 of this Act, the university of Iowa shall transfer to the general fund of the state, from whatever source available, \$54,639,129, which is an amount equal to the appropriations made pursuant to 2003 Iowa Acts, chapter 182, section 9, subsection 2, paragraph "b", as modified by executive orders 31 and 36, and pursuant to 2004 Iowa Acts, chapter 1175, section 86, subsection 2, paragraph "b". Of the amount transferred to the general fund of the state pursuant to this section, \$19,350,061 is appropriated and shall be deposited in the medical assistance account of the department of human services and \$35,289,068 is appropriated and shall be deposited in the account for health care transformation created in section 249J.23.

Sec. 5. APPROPRIATION — HEALTH CARE TRANSFORMATION ACCOUNT. There is appropriated from the account for health care transformation created in section 249J.23, to the department of human services for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for the purposes designated:

For payments to the university of Iowa hospitals and clinics for provision of services pursuant to and for costs associated with chapter 249J:

..... \$ 2,000,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.¹

Sec. 6. ACTIVITIES SUBSEQUENT TO TRANSFER AND PAYMENTS. Subsequent to the transfer of funds by the university of Iowa to the general fund of the state pursuant to section 4 of this Act, the supplemental payments made to the university of Iowa hospitals and clinics and to the carver college of medicine faculty practice plan by the department of human services pursuant to sections 2 and 3 of this Act are irrevocable, notwithstanding any subsequent decision by the centers for Medicare and Medicaid services of the United States department

¹ See chapter 1184, §65, 69 herein

of health and human services or any other state or federal agency. The department of human services is solely responsible for any repayment or payment of any penalty or fine assessed by any state or federal agency on any party relative to the transactions pursuant to sections 2, 3, and 4 of this Act.

Sec. 7. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. This Act, being deemed of immediate importance, takes effect upon enactment.
2. The provision of this Act amending 2003 Iowa Acts, chapter 112, section 11, is retroactively applicable to May 2, 2003.
3. The provision of this Act amending 2004 Iowa Acts, chapter 1175, section 86, is retroactively applicable to May 17, 2004.

Approved March 9, 2006

CHAPTER 1170

APPROPRIATIONS — TRANSPORTATION

S.F. 2232

AN ACT relating to and making transportation and other infrastructure-related appropriations to the state department of transportation, including allocation and use of moneys from the road use tax fund and the primary road fund.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. ROAD USE TAX FUND. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, for the purposes designated:

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| 1. For the payment of costs associated with the production of driver's licenses, as defined in section 321.1, subsection 20A: | \$ 2,820,000 |
| Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30, 2007, from the appropriation made in this subsection shall not revert, but shall remain available for subsequent fiscal years for the purposes specified in this subsection. | |
| 2. For salaries, support, maintenance, and miscellaneous purposes: | |
| a. Operations and finance: | \$ 5,602,060 |
| b. Administrative services: | \$ 548,222 |
| c. Planning: | \$ 470,476 |
| d. Motor vehicles: | \$ 32,155,203 |
| 3. For payments to the department of administrative services for utility services: | \$ 140,000 |
| 4. Unemployment compensation: | \$ 17,000 |